

Message Text

SECRET

PAGE 01 HONG K 06227 050813Z

12

ACTION EA-06

INFO OCT-01 SS-14 ISO-00 EB-03 INR-05 CIAE-00 NSC-05

NSCE-00 L-01 SP-02 DODE-00 /037 W

----- 055996

R 050630Z JUN 75

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC 0000

INFO USLO PEKING

S E C R E T HONG KONG 6227

LIMDIS

NOFORN

E.O. 11652: XGDS-1

TAGS: ENRG, PRC, HK

SUBJECT: HKG INTEREST IN KWANGTUNG OIL RESOURCES

SUMMARY. HKG OFFICER CALLED ON CONGEN SEEKING INFORMATION ABOUT PRC OIL ACTIVITY AND RESOURCES IN KWANGTUN PROVINCE. THE REASON FOR HIS INTEREST IS THAT A LOCAL BUSINESSMAN HAS REQUESTED HKG APPROVAL TO DRILL FOR OIL IN HK TERRITORIAL WATERS. HKG WISHES TO DISCOURAGE SUCH A VENTURE BECAUSE OF POTENTIAL FOR CONFLICT WITH PRC AND IS BASING ITS POSITION ON GEOLOGICAL ESTIMATES THAT NO OIL EXISTS IN HONG KONG. END SUMMARY

1. CHARLES DRACE FRANCIS, ASSISTANT POLITICAL ADVISOR TO THE HONG KONG GOVERNMENT, CALLED ON GONGENOFF MAY 30 TO SEEK INFORMATION ABOUT OIL RESERVES AND PRODUCTION IN KWANGTUNG PROVINCE. ASSISTANT POLAD'S INTEREST IN THE SUBJECT WAS OCCASIONED BY THE EFFORTS OF A LOCAL ENTREPRENEUR-CONSULTANT, ONE MR. MAY, TO OBTAIN HKG APPROVAL TO DRILL FOR OIL OFFSHORE IN HK TERRITORIAL WATERS. MAY (ABOUT WHOM FRANCIS PROFESSED TO KNOW NO OTHER DETAILS) IS BASING HIS APPEAL ON THE LIKELIHOOD THAT REPORTED PETROLEUM RESOURCES IN KWANGTUNG MAY EXTEND INTO THE HONG KONG AREA.

SECRET

SECRET

PAGE 02 HONG K 06227 050813Z

2. FRANCIS DESCRIBED THE INFORMATION AS SENSITIVE. ONE MAIN PROBLEM IS THAT HONG KONG'S TERRITORIAL WATERS ARE NOT WELL DEFINED AND THE HKG IS NOT EAGER TO HAVE THE SUBJECT BECOME AS ISSUE WITH THE PRC ESPECIALLY IF PETROLEUM OVERTONES ARE PRESENT. HE SAID THE OFFICIAL HKG POSITION, BASED ON "OFFICIAL GEOLOGICAL ESTIMATES," IS THAT THERE ARE NO OIL RESOURCES IN HONG KONG.

3. THE GIST OF OUR REPLY TO FRANCIS WAS THAT ECONOMICALLY VIABLE OIL RESOURCES HAD APPARENTLY BEEN FOUND AT SANSHUI NEAR CANTON, BUT OTHER THAN LOW LEVEL RUMORS THAT THE FIELD'S RESERVES ARE ESTIMATED TO BE AT THE TACHING LEVEL OR GREATER, LITTLE HARD INTELLIGENCE EXISTS ABOUT THE FIND. OTHER INDICATIONS OF REPORTED PRC PLANS TO CONSTRUCT A PETROCHEMICAL COMPLEX/PETROLEUM REFINERY IN THE CANTON AREA SUPPORT THE IMPRESSION THAT PETROLEUM RESOURCES IN THE AREA ARE SIGNIFICANT. AS OTHER SIGNS OF INCREASED PETROLEUM ACTIVITY IN THE AREA WE POINTED TO (A) THE MAOMING SHALE OIL COMPLEX, (B) THE CHANCHIANG OIL PORT AND (C) THE CONSTRUCTION OF A RAIL LINE FROM MAOMING TO CANTON VIC SANSHUI.

4. IN RESPONSE TO HIS QUESTION, WE NOTED THAT PRC OFFSHORE EXPLORATION ACTIVITY HAS BEEN LARGELY CONFINED TO THE AREA SOUTH OF HAINAN ISLAND TOWARD AND AMONG THE PARACELS, ALTHOUGH SOME EXPLORATION MAY HAVE TAKEN PLACE OFF THE LEI CHOU PENINSULA.
CROSS

SECRET

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TERRITORIAL WATERS, OFFSHORE DRILLING, KWANGTUNG, PETROLEUM RESERVES
Control Number: n/a
Copy: SINGLE
Draft Date: 05 JUN 1975
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: johnsorg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975HONGK06227
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: X1
Errors: N/A
Film Number: D750196-0662
From: HONG KONG
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750678/aaaactln.tel
Line Count: 88
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: SECRET
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: LIMDIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: johnsorg
Review Comment: n/a
Review Content Flags:
Review Date: 15 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 JUL 2003 by ElyME>; APPROVED <14 NOV 2003 by johnsorg>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: HKG INTEREST IN KWANGTUNG OIL RESOURCES SUMMARY. HKG OFFICER CALLED ON CONGEN SEEKING INFORMATION ABOUT
TAGS: ENRG, CH, HK
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006